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Receiver for TBIS*

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

TITANIUM BLOCKCHAIN  
INFRASTRUCTURE SERVICES,  
INC.; EHI INTERNETWORK AND  
SYSTEMS MANAGEMENT, INC.  
aka EHI-INSM, INC.; and MICHAEL  
ALAN STOLLERY aka MICHAEL  
STOLLAIRE,

Defendants.

Case No. 18-cv-4315 DSF (JPRx)

**RECEIVER'S NOTICE OF MOTION  
AND MOTION FOR APPROVAL OF  
CLAIMS PROCESS AND BAR DATE;  
[PROPOSED] ORDER**

Date: August 31, 2020  
Time: 1:30  
Ctrm: 7D  
Judge: Hon. Dale S. Fischer

1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE that on Monday, August 31, 2020, at 1:30 p.m., or as  
 3 soon thereafter as the matter may be heard before the Honorable Dale S. Fischer, in  
 4 Courtroom 7D of the United States District Court, Central District of California,  
 5 Western Division, 350 West 1st Street, 6th Floor, Los Angeles, California, 90012, Josias  
 6 N. Dewey, as Court-appointed Receiver (the “Receiver”) for the estate of Defendant  
 7 Titanium Blockchain Infrastructure Services, Inc. (“TBIS”), will and hereby does submit  
 8 this Motion for Approval of Claims Process and Proposed Bar Date (“Motion”).

9 This Motion is submitted pursuant to paragraph XI(H) of this Court’s Order  
 10 Appointing Permanent Receiver, entered May 30, 2018 (the “Permanent Receivership  
 11 Order”) (Dkt. 48) and Rule 66 of the Federal Rules of Civil Procedure. The Receiver  
 12 requests this Court’s approval for the Receiver’s proposed Claims Process, including the  
 13 method by which the Receiver will provide notice to claimants, the method by which  
 14 claimants may file claims, the methods by which the Receiver will determine eligible  
 15 and ineligible claims, and the date by which all claims are to be filed (the “Bar Date”).

16 This Motion is based upon this Notice of Motion and Motion, all papers and  
 17 records on file herein, and such other matters as may be presented to the Court at or  
 18 before the hearing on this Motion. This Motion is made following the conference of  
 19 counsel pursuant to L.R. 7-3 which took place on February 5, 2020.

20  
 21 Dated: July 28, 2020.

Respectfully submitted,

22 /s/ Kristina S. Azlin

23 Kristina S. Azlin  
 24 Jose Casal (*pro hac vice*)  
 25 Holland & Knight LLP

26 *Attorneys for Josias N. Dewey, Court-*  
 27 *appointed Receiver for TBIS*  
 28

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**RECEIVER'S MOTION FOR APPROVAL OF CLAIMS PROCESS AND  
PROPOSED BAR DATE**

Pursuant to paragraphs XI(H) of this Court's Order Appointing Permanent Receiver, entered May 30, 2018 (the "Permanent Receivership Order") (Dkt. 48), and Rule 66 of the Federal Rules of Civil Procedure, Holland & Knight LLP ("Counsel" or "H&K"), counsel to Josias N. Dewey, as Court-appointed Receiver (the "Receiver") for the estate of Defendant Titanium Blockchain Infrastructure Services, Inc. ("TBIS"), hereby submits this Motion for Approval of Claims Process and Proposed Bar Date.

**I. INTRODUCTION**

On May 22, 2018, the Securities and Exchange Commission brought an emergency action for both securities fraud and the sale of unregistered securities against TBIS and its subsidiaries and affiliates. (Dkt. 1.) As part of that action, and with the Defendants' consent, the United States District Court for the Central District of California appointed Josias N. Dewey receiver for TBIS. (Dkt. 48; *see also* Dkt. 47.)

The Receiver took custody of TBIS's assets and is presenting this plan as a precursor to an interim distribution to TBIS's victims of its securities fraud, victims of its sale of unregistered securities, and other eligible creditors. The Receiver will seek reimbursement of all reasonable administrative costs and expenses relating to the claims process from receivership assets. The Receiver will make every effort to conserve Receivership assets.

To that end, the virtual and online nature of this fraud presents opportunities for efficiencies typically unavailable in conventional receiverships. The unregistered securities at issue in this case are represented by virtual ERC-20 tokens that exist on the public Ethereum blockchain network (the "Ethereum Network"). The Ethereum Network is the decentralized transaction ledger on which Ether, one of the world's most popular cryptocurrencies, exists. Anyone acquiring an ERC-20 token must have control over an Ethereum public address, which is somewhat analogous to a bank account

1 inasmuch as it is the transferee reference for transfers of Ether and ERC-20 tokens.  
 2 While it is technically possible for a transferee to acquire ERC-20 tokens without access  
 3 to the internet, both the act of transferring Ether or other digital assets (e.g., bitcoin) as  
 4 payment for the tokens and verifying receipt of the tokens require access the internet.  
 5 As such, it is reasonable to assume that all victims who acquired ERC-20 tokens likely  
 6 have access to the internet and have control over one or more Ethereum public address.  
 7 Moreover, because most victims purchased the TBIS tokens using virtual currencies, the  
 8 Receiver and Counsel can use blockchain transactional information to expedite the  
 9 claims validation process, and ultimately, to compensate eligible claimants sooner. For  
 10 those investors who did not purchase the TBIS tokens using a virtual currency and in  
 11 other cases where the Receiver reasonably believes appropriate, compensation will be  
 12 distributed using conventional paper checks.

13 Under this proposal, costs are minimized by using an online claims process,  
 14 automated blockchain-based claim validation, and, depending on market conditions and  
 15 the claimants' preference, virtual asset funds distribution to reimburse validated  
 16 claimants. By this method, the Receiver can reduce administrative expenses, increase  
 17 claim processing speed, and distribute funds to victims in a fraction of the time when  
 18 compared to conventional processes.

19 The Receiver seeks the Court's approval to:

- 20 a. Define eligible claimants;
- 21 b. Provide notice and claims process instructions to claimants via electronic
- 22 means;
- 23 c. Accept claims by electronic means;
- 24 d. Determine valid claim amounts;
- 25 e. Handle objections to claim determinations; and
- 26 f. Establish a Bar Date and claims process timeline.

27 A proposed order and examples of the proposed notice and claims form are attached. *See*  
 28

1 Proposed Order; Exhibits A & B.

2 **II. FACTUAL BACKGROUND OF THE TBIS INITIAL COIN OFFERING**

3 Numerous persons invested in TBIS's "initial coin offering" (ICO). TBIS  
4 conducted an unregistered offering of securities in the form of an ICO. The TBIS ICO  
5 was held using the Ethereum Network to issue ERC-20 tokens; investors purchased  
6 coins using either Ether, Bitcoin, other virtual currencies, or central bank-issued  
7 currencies. Because of the blockchain's pseudonymous nature, the victims' transactions  
8 are known but most victims' identities are not. Over 21,000 unique addresses currently  
9 hold tokens associated with the TBIS ICO.

10 TBIS issued its first virtual token, the Titanium Bar ("BAR"), during an ICO  
11 between November 21, 2017 and February 19, 2018. TBIS represented that BAR would  
12 be redeemable for future TBIS services—services purportedly still being developed.  
13 TBIS falsely represented that it had commercial relationships with many influential  
14 companies that would drive demand for these future TBIS services. TBIS claimed that  
15 purchasers would see the value of BAR appreciate based on this demand for future TBIS  
16 services. During the ICO, some buyers sold and transferred BAR to third parties.

17 On February 22, 2018, an unidentified party illicitly gained access to the virtual  
18 assets raised by TBIS, transferring virtually all of the raised funds away from TBIS  
19 control. In addition to the transfer of funds raised, the illicit transfers included a  
20 substantial portion of the BAR tokens—approximately 18 million BAR—that TBIS had  
21 held in reserve.

22 On the same day of the illicit funds transfer, TBIS announced their loss of control  
23 over the BAR tokens and disclosed a plan to issue a second virtual token, replacing the  
24 BAR (the "TBIS BAR disclamation announcement"). By this announcement, TBIS  
25 disclaimed the BAR tokens, rendering them essentially valueless. The TBIS  
26 announcement was widely reported on cryptocurrency news sites and online discussion  
27 forums. TBIS did not reclaim the now-defunct BAR. Subsequent to the TBIS  
28

1 announcement, BAR market prices dropped to nearly zero. BAR holders continued to  
 2 sell or transfer BAR to third parties, who were acquiring BAR despite the TBIS BAR  
 3 disclamation announcement.

4 TBIS gave the replacement coin, TBAR, to all holders of BAR. TBIS began to  
 5 issue and sell TBAR on February 23, 2018. Confusingly, TBIS continued to issue TBAR  
 6 to new BAR holders, even where people acquired the BAR well after TBIS disclaimed  
 7 the BAR tokens. TBIS continued to market its TBAR as worthy of acquisition. After  
 8 TBIS distributed the TBAR coin, some TBAR holders sold or transferred TBAR to third  
 9 parties.

10 On May 22, 2018, the SEC filed an emergency action against TBIS and other  
 11 related principals alleging securities fraud, the sale of unregistered securities, and other  
 12 violations of U.S. securities laws. The SEC made this action publicly known on May 29,  
 13 2018 via press release and publishing on the SEC website (the “TBIS fraud disclosure”).  
 14 Almost immediately, TBAR market prices dropped to nearly zero.

### 15 **III. DISCUSSION**

16 The Receiver has come up with procedures for overseeing the administration of  
 17 claims of creditors, investors who acquired unregistered securities from TBIS and  
 18 certain investors otherwise harmed by TBIS’s fraud. The Receiver will be responsible  
 19 for reviewing and validating submitted claims. After the Receiver has reviewed and  
 20 validated submitted claims, he will submit a separate motion seeking approval for the  
 21 distribution of assets to claimants in amounts to be determined at a later date.

22 “[A] primary purpose of equity receiverships is to promote orderly and efficient  
 23 administration of the estate by the district court for the benefit of creditors.” *SEC v.*  
 24 *Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). District judges have extremely broad  
 25 authority in determining appropriate administrative actions for equity receiverships,  
 26 including claims administration. *Id.* at 1037–38. Reasonable and fair procedures in  
 27 administering claims are appropriate. *Id.* at 1038. However, “the rights of creditors of a  
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1 receivership must be balanced against the need for expeditious administration of the  
 2 receivership; a district court in overseeing a receivership must ‘make rules which are  
 3 practicable as well as equitable.’” *Id.* at 1039 (*quoting First Empire Bank-New York v.*  
 4 *FDIC*, 572 F.2d 1361, 1368 (9th Cir. 1978)).

5 **A. Eligible Claimants should be creditors, those investors who acquired**  
 6 **unregistered securities from TBIS and certain other investors who**  
 7 **suffered a loss caused by TBIS’s fraud.**

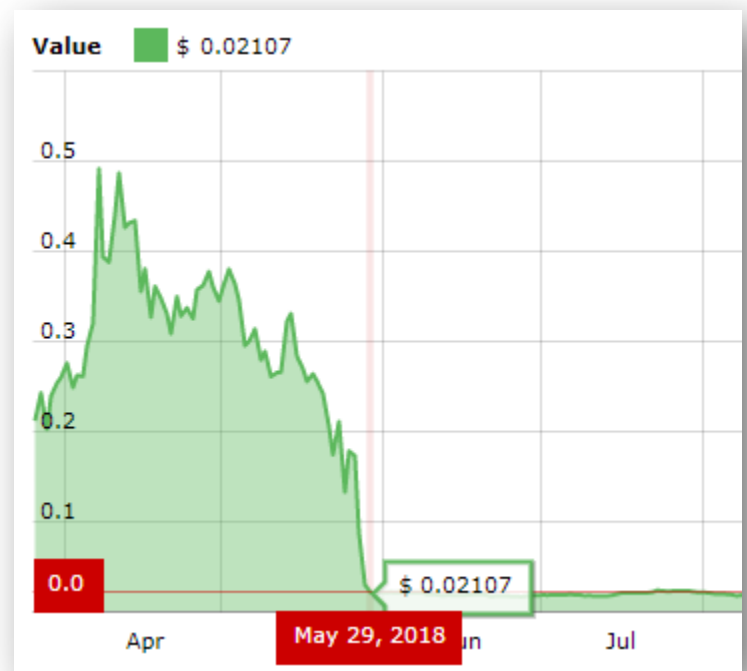
8 The Receiver proposes compensating TBIS’s creditors, those investors who  
 9 acquired unregistered securities from TBIS and certain other investors who suffered a  
 10 loss caused by TBIS’s fraud. TBIS’s creditors should be eligible claimants, subject to a  
 11 case-by-case determination of claim validity. As for victims of TBIS’s securities fraud,  
 12 securities fraud victims are those who suffered economic loss caused by  
 13 misrepresentations. *See Dura Pharm., Inc. v. Broudo*, 544 U.S. 336, 342–46 (2005).  
 14 Determining loss causation depends on how the victim acquired the security. Initial  
 15 purchasers (from the issuer) benefit from a statutory presumption of loss causation. *See*  
 16 15 U.S.C. § 77l. Subsequent purchasers must have loss actually caused by  
 17 misrepresentations: courts will look at the value of the security if no misrepresentations  
 18 had been made, the purchase price and date, the sale price and date, and whether  
 19 disclosure of the fraud depressed the sale price. *See Dura*, 544 U.S. at 344–45. Thus,  
 20 subsequent Purchasers who do not purchase the security from the issuer and who sell  
 21 “before the relevant truth begins to leak out” are not victims of the fraud. *Id.* at 342.  
 22 Finally, unlike those investors whose loss arises solely from TBIS’s fraud, investors who  
 23 purchased unregistered securities from TBIS benefit from a statutory presumption of loss  
 24 causation. *See* 15 U.S.C. § 77l.

25 As a result of the presumption of loss causation being available to some investors  
 26 but not others, there should be two classes of investor claimants: (1) those induced into  
 27 purchasing BAR or TBAR, constituting unregistered securities, directly from TBIS  
 28

(collectively, the “Direct Purchasers”), and (2) those who purchased BAR or TBAR from someone other than TBIS (collectively, the “Secondary Market Purchasers”) at a price inflated due to TBIS misrepresentations, and then who realized a loss in value caused by the TBIS fraud disclosure.

As a class, Direct Purchasers are entitled to a presumption of loss generally based on the difference between what they paid for the BAR or TBAR and the price they obtained when they sold same, or if they have not sold their BAR or TBAR, the current value of same. Accordingly, all Direct Purchasers should be eligible claimants because they (in addition to potentially being victims of TBIS’s fraud) purchased an unregistered security directly from its issuer and would benefit from a rescissory measure of damages. 15 U.S.C. § 77l(a). Direct Purchasers who sold their tokens should, however, be limited to recovering actual damages; thereby excluding any Direct Purchasers who sold their tokens for more than the price they paid for same, after accounting for any reasonable and customary transactional costs.

On the other hand, the class of Secondary Market Purchasers must show that their loss was caused by TBIS’s fraud. As a result, those Secondary Market Purchasers who sold prior to the fraud disclosure—and who suffered loss based on market price fluctuations unrelated to any TBIS misrepresentations—should not be victims of the TBIS fraud. Based on the foregoing principle, Secondary Market Purchasers



**Figure 1: TBAR USD price chart.**

1 should be eligible claimants if they purchased prior to the TBIS fraud disclosure and  
 2 held through the TBIS fraud disclosure. The TBIS tokens were valueless, because TBIS  
 3 lacked the capabilities to develop the promised product for which the TBIS token would  
 4 have been used. Any non-zero market price was entirely due to the TBIS fraud. This  
 5 actual valuation of zero is reflected in the depressed market price immediately following  
 6 the TBIS fraud disclosure. Thus, anyone who purchased prior to the fraud disclosure  
 7 purchased at a price inflated due to the fraud and were damaged when their tokens' price  
 8 to plummeted to zero (or near zero) subsequent to the fraud disclosure. *See infra* Fig.1.

9 However, certain Secondary Market Purchasers should be ineligible claimants  
 10 regardless of whether they continue to hold BAR or TBAR. Specifically, Purchasers of  
 11 BAR who purchased after the TBIS BAR disclamation announcement should be  
 12 ineligible, because TBIS publicly renounced the value of those tokens. Persons who  
 13 acquired these worthless tokens after TBIS informed the public of their worthlessness  
 14 did so at their own risk and not in reliance on any TBIS misrepresentations. Moreover,  
 15 any subsequent purchasers who sold prior to the fraud disclosure cannot have been  
 16 damaged by the TBIS fraud and thus should be ineligible claimants.

17 Therefore, the Receiver proposes that claimants be categorized as follows:

18 Claimant Type A: Creditors.

19 Claimant Type B: Direct Purchasers (i.e., acquired BAR or TBAR, constituting  
 20 unregistered securities directly from TBIS).

21 Claimant Type C: Certain Secondary Market Purchasers of BAR. Persons that—

- 22 1. Purchased BAR from third parties prior to Feb. 22, 2018;
- 23 2. Held that BAR through Feb. 22, 2018;
- 24 3. Received TBAR from TBIS by virtue of their BAR holdings; and
- 25 4. Held that TBAR through May 29, 2018.

26 Claimant Type D: Certain Secondary Market Purchasers of TBAR. Persons that—

- 27 1. Purchased TBAR from third parties prior to May 29, 2018; and
- 28

2. Held that TBAR through May 29, 2018.

Claimant Type E: Ineligible claimants that do not meet any of the above criteria.

Examples of ineligible claimants are:

3. Secondary Market Purchasers of BAR selling that BAR before Feb. 22, 2018;
4. Purchasers of BAR on or after Feb. 22, 2018;
5. Purchasers of TBAR on or after May 29, 2018;
6. Recipients of TBAR given by TBIS based on BAR acquired on or after Feb. 22, 2018; and
7. Secondary Market Purchasers of BAR or TBAR selling their acquired TBAR before May 29, 2018.

A claimant may fit into multiple claimant types depending on their specific facts, and such claims will be apportioned accordingly for purposes of determining claim eligibility. Limiting eligible claimants to the above persons permits fair and reasonable compensation to those whom TBIS is liable for selling unregistered securities and/or damages caused by TBIS fraud; and accordingly, should be approved.

**B. Internet-based electronic notice is fair, reasonable, and comports with due process for internet-based virtual token fraud victims.**

The Receiver will provide notice to claimants of the claims process in order to validate claims and identify the claimant class. The Receiver proposes using online, electronic notice of the claims process using media similar to that which TBIS employed to propagate its misrepresentations and effect its sale of unregistered securities.

A claims process must satisfy due process. Due process requires that a party must receive notice “reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action.” *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950). Internet-based notice is suitable for apprising parties when their involvement in a matter is predominantly internet based. *See SEC v. Arisebank*,

No. 3:18-cv-00186-M , 2019 WL 1796170 (N.D.Tex. Jan. 29, 2019) (Receiver’s Motion for Approval of Claims Process and Proposed Bar Date) and Docket No. 100, Order Granting Motion (N.D. Tex. Feb. 1, 2019) (order approving claims process, notice procedures, and bar date) (approving receiver’s electronic notice procedures for claimants involved in an initial coin offering); *see also Browning v. Yahoo! Inc.*, No. C04-01463, 2007 WL 4105971, at \*4 (N.D. Cal. Nov. 16, 2007) (internet notice “particularly suitable” where claims involved “visits to Defendants’ internet websites”); *Lundell v. Dell, Inc.*, No. CIVA C05-3970 JWRS, 2006 WL 3507938, at \*1 (N.D. Cal. Dec. 5, 2006) (electronically sent and internet-published notice satisfied due process).

Here, internet-based notice is appropriate because TBIS primarily interacted with potential claimants via the internet. TBIS promoted its ICO through its website, internet news sites, and social media. Investors purchased TBIS tokens through electronic means, including an internet-based smart contract that automatically exchanged virtual currencies for TBIS BAR tokens. Almost all investors contributed funds in the form of internet-based cryptocurrencies. And the TBIS tokens themselves are entirely virtual. For all practical purposes, access to, and familiarity with, the internet is a prerequisite to owning virtual assets, like BAR and TBAR. Finally, specific investors are not identifiable because almost all potential claimants are cloaked by blockchain-based pseudonymity. Under these circumstances, the Court should find that internet-based notice is the best method to reach TBIS claimants—claimants demonstrably accessing the internet and involved in online cryptocurrency and crypto-investor communities.

The Receiver proposes multiple forms of notice. First, the Receiver should be authorized to send email or mail notice to those potential claimants for whom the Receiver has contact information; nearly 250 claimants have already submitted preliminary claims. Second, the Receiver should be authorized to publish notice of the claims process via the TBIS website (<https://tbis.io/>). Additionally, the Receiver should be authorized to publish the notice via the same channels through which TBIS originally

1 promoted its digital tokens: cryptocurrency and related online industry publications,  
2 online discussion forums, Telegram, and Twitter.

3 The notice will include the following:

- 4 8. An explanation of the TBIS fraud and circumstances under which it sold
- 5 unregistered securities;
- 6 9. An explanation of who is eligible for compensation and the claims process;
- 7 10. The online portal web address for making a claim;
- 8 11. The deadline for submitting a claim (the “Bar Date”);
- 9 12. Copies of the court order approving the claims process and distribution
- 10 plan; and
- 11 13. An email address for correspondence to the Receiver.

12 If authorized, the content of the notice will be substantially similar to that in the attached  
13 example notice. *See* Exhibit A. This online notice process is fair and reasonable under  
14 the circumstances, comports with due process, and should be approved.

15 **C. Internet-based Claim Submission is Appropriate for Internet-based**  
16 **Activities.**

17 The Receiver proposes receiving claims online, which is fair and reasonable given  
18 the exclusively online nature of the fraud and virtual tokens. If authorized, the Receiver  
19 will create a web portal for form-based submission. The process will validate claims and  
20 provide notice to claimants of the status of their claims, including grounds for denial of a  
21 claim, as appropriate. The web portal will include protections to prevent automated form  
22 submission by bots and other techniques that could increase the number of false claims.  
23 The Receiver will also establish an alternative means for filing claims for those  
24 individuals who establish that they are not reasonably able to use the online submission  
25 portal (e.g., government interference or censoring). Claimants requesting alternative  
26 submission of claims will be instructed to contact the Receiver at [tbis@hklaw.com](mailto:tbis@hklaw.com).

27 The claims form will solicit sufficient information to communicate with  
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1 claimants, validate claims, and conduct Office of Foreign Assets Control due diligence.  
 2 The Receiver will send all claimants confirmation of their successfully submitted claim.  
 3 For most claimants, the Receiver will be able to immediately determine the validity of  
 4 claims and inform claimants of their claim determination.

5 The claims form will also include certain consent and attestation provisions. First,  
 6 it will require consent to this Court's exclusive jurisdiction for any disputes related to the  
 7 claims. Second, the form will require claimants attest to the truth and correctness of the  
 8 submitted information under penalty of perjury. Third, the form will require each  
 9 claimant release the Receiver, the Receivership Estate, and their agents from any claims  
 10 the claimant has or may assert in excess of any approved distribution of available  
 11 Receivership funds. This release will prevent a claimant from later contesting a Claim  
 12 Determination or amount after completing the objection process. A similar release was  
 13 approved in a nearly identical case involving a receivership distributing funds to  
 14 claimants. *See SEC v. Arisebank*, No. 3:18-cv-00186-M (N.D. Tex. Feb. 1, 2019) (order  
 15 approving claims process, notice procedures, and bar date). The content of the claims  
 16 form will be substantially similar to that in the attached example form and release. *See*  
 17 Exhibit B. This online, largely automated claims process will conserve Receivership  
 18 resources, is fair and reasonable, and should be approved.

19 **D. Validating Claims Using Blockchain Transactional Information is**  
 20 **Practicable, Efficient, and Accurate.**

21 The Receiver proposes validating claims based on claimant submissions and blockchain  
 22 transactional data. TBIS conducted its ICO on the Ethereum Network, which is a  
 23 publicly-viewable online ledgers distributed among a global network of computers,  
 24 theoretically impervious to alteration, and an accurate and immutable transaction  
 25 archive. The Ethereum Network stores transactional information which the Receiver and  
 26 Counsel can use to help determine the validity of claims and eligibility of most  
 27 claimants. Using a web-based form will permit automated validation for many claims,  
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1 and in some cases, even permit an immediate claim determination to be made for some  
 2 claimants. The web portal will also solicit additional information from claimants with  
 3 complicated transaction histories or involving cryptocurrency exchanges. However, the  
 4 information needed to determine a claimant's eligibility is mostly available via the  
 5 Ethereum Network used by TBIS.

6 For example, the Receiver knows the transaction quantities, dates, senders, and  
 7 recipients of all BAR and TBAR issued by TBIS. Unfortunately, this information is also  
 8 available to anyone via that same blockchain, creating a risk that bad actors will attempt  
 9 to use this information to submit fraudulent claims. To prevent these sorts of fraudulent  
 10 or duplicative claims, the Receiver will verify a claimant's control over an address using  
 11 a purpose-built Ethereum ERC-20 "control" token (the "Control Token"). After a  
 12 claimant enters sufficient information in the claims web portal, the Receiver will  
 13 automatically send a Control Token to the claimant's Ethereum address. The web portal  
 14 will instruct the Claimant to prove control over the claimed address by sending the  
 15 Control Token back to the Receiver. Failure to prove control within a defined period will  
 16 result in an automatic emailed notice to the claimant, denying the claim and stating the  
 17 grounds for denial.

18 **E. Claimants Should have the Opportunity to Object to Claim**  
 19 **Determinations.**

20 The Receiver proposes that each claimant be given 30 days from the date the  
 21 Receiver sends the Claim Determination to submit an objection. The objection should be  
 22 emailed to the Receiver at [tbis@hklaw.com](mailto:tbis@hklaw.com) on or before 11:59 pm (PST) on the date that  
 23 is 30 days after the date the Receiver sent the Claim Determination, unless the Receiver  
 24 has agreed to an alternative means of claim submission for the objecting claimant. The  
 25 Receiver will receive and consider timely objections on a case-by-case basis and will  
 26 communicate any changes to the original Claim Determination in a timely manner.  
 27  
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**F. Proposed timeline and 90-Day Claims Window.**

In order to obtain certainty regarding the number and aggregate amount of claims and to allow for a final distribution of all Receivership funds, the Receiver proposes a claims Bar Date of 11:59 p.m. (Pacific Time) 90 calendar days following publishing of the Claims Process Notice. An identical claims period was found reasonable and fair in a similar case involving an unknown class of cryptocurrency contributors. *See Arisebank*, No. 3:18-cv-00186-M, ECF No. 98. Except for claims the Receiver has determined to be subject to an alternative method of submittal and disposition, claims not properly submitted to the Receiver by the Bar Date will be barred.

Accordingly, the Receiver proposes the following timeframe for implementing the claims process:



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**PROOF OF SERVICE**

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 400 S. Hope Street, 8<sup>th</sup> Floor, Los Angeles, CA 90071.

On **July 28, 2020**, I served the document described as Receiver's **RECEIVER'S NOTICE OF MOTION AND MOTION FOR APPROVAL OF CLAIMS PROCESS AND BAR DATE; [PROPOSED] ORDER** on the interested parties in this action as follows:

**[X] (BY Electronic Transfer to the CM/ECF System)** In accordance with Federal Rules of Civil Procedure 5(d)(3) and Local Rule 5-4, I uploaded via electronic transfer a true and correct copy scanned into an electronic file in Adobe "pdf" format of the above-listed document(s) to the U.S. District Court Central District of California's Electronic Case Filing (CM/ECF) system on this date.

I declare under penalty of perjury under the laws of the United States of America that the above is true and correct.

Executed on **July 28, 2020**, Los Angeles, California.

/s/Kristina S. Azlin

Kristina S. Azlin